

Ordinance to Fund CAN TV:
Arguments **AGAINST** the ordinance

What is the problem with this ordinance?

The ordinance is inconsistent with the Chicago Cable Ordinance goal that CAN TV be adequately funded to serve the public.

Does the ordinance solve problems caused by CAN TV's outdated funding formula?

No. The City still needs to take affirmative steps to solve that problem.

Does this ordinance provide for 1% PEG funding from state providers?

Only in the case of AT&T. The Commissioner of Business Affairs and Consumer Protection receives PEG funding from all other state providers.

Isn't AT&T the only state franchisee that needs to pay a PEG fee?

No. The law allows for Comcast, RCN and WideOpenWest to opt into a state franchise at any time. Other companies can also apply to operate under that statute.

If cable operators switch to a state franchise, doesn't CAN TV get the PEG fee?

No. This ordinance calls for PEG payments from all state providers other than AT&T to be paid to the City Commissioner of Business Affairs and Consumer Protection.

If the City doesn't get the PEG fee, does it receive other funds from state providers?

Yes. The City receives a 5% franchise fee, and collects an additional 4% amusement tax from providers of cable and video services. This ordinance adds the PEG fee from all state holders except AT&T to that amount.

How much revenue does the City collect from cable compared to CAN TV?

Since 2002, the City's 5% franchise fee has increased 75% to an anticipated \$22 million this year. In comparison, CAN TV funding from cable companies has dropped 26% in the past three years to less than \$2 million dollars to operate five cable channels. That is put further at risk by this ordinance.

Why won't payments from AT&T be adequate for CAN TV?

AT&T's operation in Chicago is just starting and the extent of its service in Chicago is not known. The ordinance won't result in much revenue in the next several years.

Why can't CAN TV's funding be resolved by using its reserve?

The CAN TV reserve covers a year of operating support, equipment replacement and improvements, and sets aside funds to address CAN TV's facility needs. Reducing the reserve doesn't solve the funding issues.

What facility or organization will help handle CAN TV clients if CAN TV can't provide the same level of service that it provides today?

There is no other organization that provides training, equipment and facilities for use of cable channels to the public, nonprofits, educational institutions and government entities that rely on CAN TV.

What is the City's responsibility for CAN TV's funding?

CAN TV was created by city ordinance. The ordinance calls for CAN TV to be adequately funded to serve the public. For 25 years, CAN TV has served that purpose and thousands of Chicago residents and groups rely on its services to communicate about health issues, job opportunities, arts events, and educational opportunities.

It's the 21st century with channels proliferating and technology advancing. Securing a viable future for CAN TV assures that the public can participate in those advancements through meaningful access to cable television, a goal consistent with the vision for cable in Chicago.